

EXHIBIT A

Milbank

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May 18, 2021

VIA EMAIL

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Re: Commonwealth Assets & Cash Rule 2004 Requests

Counsel:

I write on behalf of Ambac¹ in connection with its Assets and Cash Rule 2004 Requests, and as a follow-up to the Parties' May 10, 2021 telephonic meet-and-confer (the "May 10 Meet-and-Confer").

Assets Rule 2004 Requests

(1) Category No. 1: Assets (current and transferred/encumbered)

- *Documents sufficient to show, from January 1, 2015 to the present, the alienation or encumbrance of any assets held by the Commonwealth or its instrumentalities.*
- *A list of the Commonwealth's current assets.*

AAFAF Assets Review. AAFAF previously agreed to supplement its production of certifications or similar documents submitted by Commonwealth entities in response to the AAFAF memorandum, dated November 25, 2019, that requested a list of all real property assets owned by Commonwealth agencies, instrumentalities, and public corporations (ASSETS_2004_0000601), to the extent any additional certifications or similar documents are located by AAFAF or submitted to AAFAF and/or the Real Property Evaluation and Disposal Committee ("CEDBI"). In addition, in its May 17, 2021 order, the Court directed AAFAF to

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the *Joint Status Report of Ambac Assurance Corporation and the Financial Oversight and Management Board for Puerto Rico, as Representative of the Commonwealth of Puerto Rico, and the Puerto Rico Fiscal Agency and Financial Advisory Authority Pursuant to the Court's April 23, 2021 Order* (ECF No. 16716) (the "May 7 Joint Status Report").

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produce any additional responses it has received or will receive. (ECF No. 16759 at 12.) Please advise whether AAFAF and/or CEDBI have located or received any certifications or similar documents in response to the AAFAF memorandum that have not been produced to date and, if so, confirm that such materials will be produced.

Ad Valorem Taxes / Tax Arrears. During the May 10 Meet-and-Confer, the Parties discussed Ambac's May 4, 2021 requests concerning the FY 2022 CRIM Fiscal Plan and CRIM's accounts receivable portfolio. AAFAF indicated that it would not produce any documents or information in response to those requests, and the Parties agreed that they are at an impasse with respect to those requests. Ambac reserves all rights to seek judicial intervention to compel discovery with respect to its May 4, 2021 requests.

Additionally, during the May 10 Meet-and-Confer, Ambac asked AAFAF if it was willing to provide a statement regarding the status of its and CRIM's ongoing efforts to retain a third party to value and sell CRIM's accounts receivable portfolio. AAFAF agreed to consider Ambac's request. Ambac requests an update regarding AAFAF's position.

Cash Rule 2004 Requests

(1) Category Nos. 1 and 2: Presentation and Investigation Documents

- *All documents relied upon in connection with the "Summary of Cash Restriction Analysis" presentation, dated October 2, 2019 and the "Bank Account Analysis: Status Update – June 30, 2019 Balances" presentation, dated as of October 2, 2019, including documents sufficient to identify the processes and assumptions underlying the Cash Restriction Analysis and any iterative changes in the analysis over time.*
- *All documents relied upon in connection with Duff & Phelps' and/or Ernst & Young's investigation into the cash at government and fiscal plan entities, certain other Title III debtors, and UPR, including but not limited to instructions provided to Duff & Phelps and/or Ernst & Young regarding categorization and restrictions.*

New Cash Rule 2004 Order.² On May 17, 2021, the Court ordered the Board to identify documents that relate to the "10 critical accounts" identified by Ambac for which no documents were identified in the Board's account grouping data for the October 2019 Presentations. (New Cash Rule 2004 Order at 5, 13.) In light of the Court's order, Ambac requests that the Board identify the factual source materials and raw data underlying the Duff & Phelps Report related to the following accounts: BONY -6334; BPPR -2882; BPPR -2306; BPPR -6545; FirstBank -3961; FirstBank -2984; Scotiabank -5138; Scotiabank -5142; Scotiabank -5144; and US Bank -0002. To the extent that any of these accounts did not exist at the time the Duff & Phelps Report was prepared, Ambac requests that the Board identify any such account.

² "New Cash Rule 2004 Order" refers to the *Memorandum of Decision and Order on Ambac Assurance Corporation's Motion for an Order Directing Cash Rule 2004 Discovery from the Financial Oversight and Management Board for Puerto Rico* (ECF No. 16760).

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March 2021 Disclosure Statement. During the May 10 Meet-and-Confer, the Board confirmed that its April 26, 2021 production contained nonprivileged factual source materials and raw data underlying the March 2021 Disclosure Statement, and that its production of such materials is complete. The Board further advised that it withheld two documents from its April 26, 2021 production to further evaluate whether they are privileged, and agreed to either produce those documents if it is determined that they are not privileged or to add the documents to its privilege log if it is determined that they are privileged. Ambac requests an update regarding the Board's review of those documents.

May 2021 Disclosure Statement.³ The Board filed a third amended plan of adjustment⁴ and the accompanying May 2021 Disclosure Statement on May 11, 2021. Ambac's review and analysis of the May 2021 Disclosure Statement, including the portions thereof concerning the Board's cash restriction analysis, is ongoing, but Ambac writes to request:

- Back-up materials related to the portion of the May 2021 Disclosure Statement, including Exhibit L thereto, concerning the Board's cash restriction analysis, including (without limitation) factual source materials and raw data underlying pages 133-43 of the May 2021 Disclosure Statement and Exhibit L thereto. Additionally, Ambac requests that such materials be categorized by account when produced, consistent with the categorization done in connection with the factual source materials and raw data underlying the October 2019 Presentations, February 2020 Disclosure Statement,⁵ December 2020 Presentation, and March 2021 Disclosure Statement. During the May 10 Meet-and-Confer, the Board advised that it was amenable to providing such materials via the document depository available to all creditors, including Ambac, in connection with disclosure statement discovery.
- Calculation Back-Up documents related to the portion of the May 2021 Disclosure Statement, including Exhibit L thereto, concerning the Board's cash restriction analysis, including (without limitation) a version of Exhibit L to the May 2021 Disclosure Statement identifying the full account numbers for each of the accounts listed therein, similar to the versions of Exhibit J to the February 2020 Disclosure Statement and the March 2021 Disclosure Statement that were previously produced (*see* Ambac_Cash_2004_0092818, Ambac_Cash_2004_002_0044579).

Ambac requests the Board's position regarding these requests.

Act 26-2017 Surplus Transfers. During the May 10 Meet-and-Confer, the Board agreed to take under advisement Ambac's request for documents and communications regarding any transfer of surplus funds from any Commonwealth public corporation, agency, or instrumentality

³ "May 2021 Disclosure Statement" means the *Disclosure Statement for the Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (ECF No. 16741).

⁴ *Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (ECF No. 16740).

⁵ "February 2020 Disclosure Statement" means the *Disclosure Statement for the Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (ECF No. 11947), filed in the Title III proceedings on February 28, 2020.

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to the Commonwealth pursuant to Chapter 4 of Act 26-2017, as well as documents and communications relating or responding to any requests by the Act 26-2017 Committee⁶ for transfers pursuant to Chapter 4 of Act 26-2017, whether or not such transfers were effected. Ambac requests that the Board provide an update regarding its position on Ambac's request.

During the May 10 Meet-and-Confer, this request was discussed as it pertains to the Board, but the request applies equally to AAFAF, and Ambac therefore also requests AAFAF's position regarding this request.

Very truly yours,

/s/ Jonathan Ohring

Jonathan Ohring

cc: Atara Miller
Grant R. Mainland
John J. Hughes, III
Martin A. Sosland
Nicholas A. Bassett
John E. Mudd
Geoffrey S. Stewart

⁶ "Act 26-2017 Committee" means the committee established pursuant to Act 26-2017 that is composed of the Executive Director of AAFAF, the Secretary of the Treasury, and the Executive Director of the Puerto Rico Office of Management and Budget.